

## Message Text

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PAGE 01 ROME 13859 140749Z

15

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 L-03 CIAE-00 COME-00 INR-10

LAB-06 NSAE-00 RSC-01 SIL-01 TRSE-00 STR-08 DRC-01

/067 W

----- 129584

R 131615Z DEC 73 ZDK  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 2328  
INFO AMCONSUL MILAN

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E.O. 11652: N/A

TAGS: EGEN;BDIS;CPRS: IT

SUBJECT: APPROACH TO PM RUMOR ON BEHALF OF GENESCO

1. ON DECEMBER 7, RALPH BACKENHEIMER, PRESIDENT OF GENESCO EUROPA, (SUBSIDIARY OF GENESCO INC OF NASHVILLE, TENN.) AND AVV. PASQUALE CHIOMENTI, LOCAL GENESCO LAWYER, CALLED ON AMBASSADOR FOR ASSISTANCE. PROBLEM THEY DESCRIBED IS AS FOLLOWS.

2. GENESCO CONTROLS "CONFEZIONI SANREMO SPA" IN VENETO, SECOND LARGEST MANUFACTURER OF MEN'S SUITS IN ITALY WITH 4,500 WORKERS AND TOTAL CAPITAL OF ABOUT \$17 MILLION. COMPANY HAS SUFFERED LOSSES IN RECENT YEARS DUE TO LABOR UNREST, LOW PRODUCTIVITY, AND POOR MANAGEMENT. PARENT BOARD IN US DECIDED IN JULY 1973 TO DIVEST ITSELF OF SANREMO BY DECEMBER 22, 1973 AND DULY NOTIFIED SEC AND GENERAL PUBLIC.

3. ABOUT SAME TIME, ACCORDING GENESCO, NEW MANAGEMENT WAS INSTALLED IN ITALY WHICH LED TO IMPROVED WORKER MOTIVATION AND PERFORMANCE. MOREOVER, IN FACE OF POSSIBLE COMPANY CLOSURES, LABOR AGITATION CEASED. COMPANY NOW EXPECTS BREAK-EVEN AT END OF 1974.

4. CEPI, GOI ENTITY RESPONSIBLE FOR PURCHASES OF PRIVATE COMPANY EQUITY, HAS TOLD GENESCO IT IS INTERESTED IN ACQUIRING SANREMO,  
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PAGE 02 ROME 13859 140749Z

PARTICULARLY IN FACE OF POSSIBLE LAYOFFS AND SOCIAL UNREST IN VENETO

IF COMPANY CLOSES. GEPI HESITANT HOWEVER, WITHOUT GREEN LIGHT FROM PM RUMOR. BACKENHEIMER REQUESTED THAT AMBASSADOR APPRISE RUMOR OF SITUATION AND SUGGEST THAT GOI ACT QUICKLY TO RESOLVE MATTER.

5. AMBASSADOR AGREED AND LETTER FROM HIM OUTLINING PROBLEM AND EXPRESSING AMBASSADOR'S CONCERN WAS DELIVERED BY CHARGE TO PM'S STAFF DECEMBER 10. PM'S OFFICE INFORMED US TODAY THAT RUMOR HAD MATTER UNDER ACTIVE CONSIDERATION AND THAT GOVERNMENT EXPECTS TO COME TO DECISION ON SANREMO'S FUTURE IN NEXT SEVERAL DAYS.

6. ABOVE IS FOR DEPARTMENT'S INFO IN EVENT THAT GENESCO OFFICERS INQUIRE ON STATUS OF OUR DEMARCHE. BEAUDRY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LABOR RELATIONS, LABOR UNIONS, BUSINESS MERGERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973ROME13859  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** ROME  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <18-Sep-2001 by kelleyw0>; APPROVED <26-Nov-2001 by golinofr>  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** APPROACH TO PM RUMOR ON BEHALF OF GENESCO  
**TAGS:** EGEN, BDIS, CPRS, IT  
**To:** STATE  
**Type:** TE  
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